EXCLUSION REQUEST NO.: 6

a. Product Name: Ultra Wide Tin Free Steel

HTSUS Classification: 7210.50.0000

b. Technical Description:

Ultra Wide Tin Free Steel is used in the production of steel food cans. NSC seeks an exclusion for this product with the following specifications:

> tin free steel in gauges 75 lb. to 112 lb. per base box, single reduced, continuously annealed, in widths equal to or exceeding 40 inches.

c. Basis for Exclusion Request:

As noted in the attached affidavit of Robert Owens, Director of Procurement for Silgan Containers (**Attachment 6-A**), Silgan Containers ("Silgan") has designed its equipment to run on 42-inch wide coils. This Ultra Wide Tin Free Steel should be excluded from the scope of this investigation because (a) Ultra Wide Tin Free Steel is not produced by U.S. mills; and (b) imported Ultra Wide Tin Free Steel is required to meet the commercial needs of Silgan, a U.S. producer of food containers and the largest consumer of tin mill products in the United States.

(a) Imported Ultra Wide Tin Free Steel Is Required To Meet The Commercial Needs Of Silgan Containers

The basis of this exclusion request is included in the Silgan statement in **Attachment 6-A**. As reflected in this statement, Silgan has 38 United States plants that manufacture tin cans for a variety of foods and beverages. In some of its manufacturing facilities, Silgan has invested substantial sums to increase capacity and improve productivity by acquiring special machinery and equipment to handle extra-wide tin free steel coils. Specifically, Silgan's equipment is designed to run 42-inch wide coils, allowing it to stamp seven ends per stroke.

Silgan imports 42-inch wide tin free steel for use in making "603 ends," the tops and bottoms of institutional/restaurant size food cans. If Silgan were required to use U.S. produced (narrower) coils, it would lose 16 percent of its output. This loss would not only affect Silgan's costs, but it would also constrain its capacity. In order to meet its customers' requirements, Silgan operates this line 24 hours a day, 365 days per year, except for essential maintenance time and holidays. Reducing the output by using narrower coils would mean that Silgan could not supply its customers' needs from that facility. This circumstance would be particularly severe for Silgan's customers in the fruit and vegetable industry, who rely on a consistent supply of containers. If fruits and vegetables are not canned within 24 hours of harvesting, the crop must be thrown away. Accordingly, restrictions on Silgan's ability to obtain Ultra Wide Tin Free Steel would jeopardize Silgan's ability to satisfy its customers' demands.

(b) Ultra Wide Tin Free Steel Is Not Produced By U.S. Mills

As reflected in the Silgan statement in **Attachment 6-A**, Silgan currently purchases over 93 percent of its requirements from U.S. domestic mills, and is committed to purchasing domestically the vast majority of its requirements. However, it must look to foreign suppliers for specialty products like Ultra Wide Tin Free Steel.

As explained in the statement, Silgan has surveyed all of its U.S. domestic suppliers, but found that Ultra Wide Tin Free Steel is not currently (and has not been for a number of years) available in commercial quantities from any U.S. supplier. As noted in the statement, "No U.S. mill can produce 42-inch wide tin free steel." To the best of NSC's knowledge, U.S. mills have never produced commercial significant quantities of tin free steel coils of 40 inches in width or more, and they cannot do so because of the physical size constraints of their rolling mills.

d. Names and Locations of Any Producers:

Ultra Wide Tin Free Steel, as defined in this submission, is produced by NSC. However, NSC understands that NKK manufactures a similar ultra wide tin free product.

e. Total U.S. Consumption:

NSC is not in a position to know the exact numbers for total U.S. consumption of Ultra Wide Tin Free Steel, but it believes that U.S. consumption of this product is limited. NSC's shipments of this product for the years 1996-2000 were as follows:

	1996	1997	1998	1999	2000
Qty (ST)	[				]
Value US $	[				]

NSC has estimated future U.S. consumption based upon [ ], as shown below.

	2001	2002	2003	2004	2005
Qty (ST)	[				]
Value US $	[				]

f. Total U.S. Production:

As noted above, NSC does not believe that any U.S. mill can produce tin mill steel in the ultra-wide widths required by Silgan.

g. U.S.-Produced Substitute, Total U.S. Production of Substitute, and the Names of Any U.S. Producers of the Substitute:

Because Silgan has specialized machinery and equipment that were designed specifically to use Ultra Wide Tin Free Steel, tin free steel in narrower widths cannot be substituted without

an unacceptable loss of Silgan's capacity and productivity. Accordingly, there is no U.S.-produced, commercially-viable substitute product for Ultra Wide Tin Free Steel.

Attachment 6-A

Declaration of Robert L. Owen
Silgan Containers Corp.

I, Robert L. Owen, declare and state to the best of my knowledge, information, and belief, that:

1. I serve as Director of Procurement for Silgan Containers Corporation, which the nation's largest producer of food cans and purchaser of tin mill products in the United States. We purchase nearly one million tons of tin mill products a year, which accounts for about one-half of all tin mill products consumed in the production of food cans. We have 38 processing plants around the country that transform the tin mill steel into steel cans.

2. All tin mill steel is not fungible. There are important differences between sizes and types of products. Indeed, Silgan has more than 600 different tin mill steel specifications for use in our can producing facilities.

3. Silgan purchases over 93 percent of our steel requirements from U.S. producers. Despite this commitment to purchasing domestically, Silgan must import certain products for use in specialized applications.

4. One of these products is "ultra wide tin free steel," which is tin free steel in gauges 75 lb. to 112 lb. per base box, single reduced, continuously annealed, in widths equal to or exceeding 40 inches. Prior to the imposition of antidumping duties last year, we purchased 42-inch wide tin-free steel from Japan for use in making ends for food cans. We did this because our equipment is designed to run 42-inch wide coils, allowing us to stamp multiple ends per stroke. As a result of the antidumping duties, the 42-inch wide coils formerly purchased from Japan are now purchased from Holland.

5. Another product we require is "ultra wide tin plated D&I steel" which is tin coated steel in gauges from 80 lb. to 110 lb. per base box, single reduced, continuously annealed, in widths equal to or exceeding 45 inches. This metal is used to produce 2-piece drawn and ironed food cans. We purchase this material from Germany because no U.S. domestic producer is capable of producing this wide tin mill product.

6. No U.S. mill can produce 42-inch wide tin free steel or 45-inch wide tin plated steel. If we buy U.S. produced (narrower) coils we would lose substantial output. This not only affects our costs, but it constrains our capacity. In order to meet our customer's requirements, these lines typically operate 24 hours a day, 365 days per year, except for essential maintenance downtime and holidays. Reducing the output by using narrower coils would mean that we could not supply our customers needs from these facilities.

7. While I firmly believe that these products could not be injuring the domestic industry because they are not available in the U.S. I am concerned about the possibility of import restrictions. Tariffs or quotas could disrupt supply of these products, making it difficult to buy when needed. Such disruptions could restrict our ability to supply customers in a timely manner.

8. We have tried to obtain ultra wide tin free steel and ultra wide tin plated D&I from domestic producers, but have failed. These products simply are not available from within the United States and no U.S. product can replace it. If the Commission were to recommend restrictions on imports of these products, our costs would increase and our ability to meet our customers' demands would be in jeopardy, unfairly harming our business.

Robert L. Owen

Dated: 09-04-01

Subscribed and sworn to before me this 4th day of September 2001.

Notary Public

My commission expires:

GARY J. EGGERS
Commission # 1245296
Notary Public - California
Los Angeles County
My Comm. Expires Dec 10, 2003

GARY J. EGGERS
Commission # 1245296
Notary Public - California
Los Angeles County
My Comm. Expires Dec 10, 2003